

## **CLIENT CODE MODIFICATION/TRANSFER OF TRADE POLICY**

Following procedure is adopted when there is an error by dealer while punching order placed by client. The error will be genuine & non existence of client code & being entered in Terminal or wrong client code entered by a Dealer:

### **A. CLIENT CODE MODIFICATION DURING MARKET HOURS**

On execution of trade, Dealer immediately informs Client on telephone or confirms trade if client is sitting in Dealing office. If client do not confirm the trade or refuses to confirm the trade as the said trade is not belonging to him, Dealer immediately take steps to find the correct client code as per his records/refers to voice logger and informs the Director/Branch Manager about dealing punching error. After filling Error report and signing the same, Director/Branch Manager authorizes the client code change. If there is a genuine punching mistake and client code entered is non existent, after filling Client code Error Sheet and taking approval from Director/Branch Manager, correct client code is entered. Similarly, letter is obtained from clients before sending Contract Notes to them.

### **B. CLIENT CODE MODIFICATION AFTER MARKET HOURS**

Client code modification after market hours is done on an exceptional basis only. If a Dealer could not contact a client during market hours immediately after execution of trades and client refuses to accept the trade or client code is nonexistent, Dealer inquires other clients mapped with his terminal or refers to Voice logger and on getting correct client code, after filling Client code Error Sheet and taking approval from Director/Branch Manager, correct client code is entered. Similarly, letter is obtained from clients before sending Contract Notes to them.

### **Monitoring mechanism in place to review such transfer of trades.**

Management has proper Monitoring mechanism in place to review such transfer of trades. Each code change is reviewed by Management in order to ensure that there is no regular pattern observed. Also no. of daily punching errors made by each Dealer is reviewed and based on findings they are warned and instructed. Even clients are called to find out reason for such code changes.

### **Steps taken to find out reason for such transfer**

For each client code change, Management asks Dealers to write reasons for the same in Client code Error Sheet. Unless Management satisfied with the reason, no client code change is allowed.

### **Steps taken to avoid such Instances of errors**

As mentioned above, Dealers are asked to write reason in Client code Error Sheet. Daily monitoring of such client code changes are done by Management and Dealers are instructed to remain careful while executing the trades. Daily trades of a Client is monitored if they are five or more modifications are observed in a week and such clients are not allowed to trade unless Management is satisfied with the reasons given by such client.

For JMP SECURITIES PVT. LTD.

  
DIRECTOR



SEBI REG. NO. : BSE INB011148237 / NSE CM : INB231148231 NSE F&O : INF231148231  
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## **Policy for treatment of Inactive Client Accounts**

### **Definition of Inactive Client Account**

✓ Client account will be considered as inactive if the client has not done any transaction with the member in the last 12 (Twelve) Months. Further, a client may also write to the member stating that he / she wishes to transfer his account into an "inactive" status, based on which the account will be marked as such.

### **Consequences of Inactive Client Account**

✓ On a client being declared inactive, the account of the client shall be made inactive in the back office software as well as the exchange and the client shall not be permitted to execute a fresh transaction in the account.

### **Procedure for Re-activation of the Client Account**

The inactive client account can be reactivated by any of the following means:

- An e-mail request from the client to reactivate the account. Such a request shall be sent only from the registered e-mail id of the client with the member or
- A written request from the client to reactivate the account or
- A telephonic request from the client to reactivate the account

✓ Further, the request to reactivate shall be processed only after the client provides decent proofs as required for opening the account as per SEBI norms.

In case a client is requesting for reactivation after a period of 1 year of being flagged as inactive i.e. after 2 years from their last trading date we will undertake fresh documentation, due diligence and IPV.

For JMP SECURITIES PVT. LTD.

  
DIRECTOR



## **Internal Control Procedure**

### **❖ Know your Client**

- Only those new clients would be accepted and allowed to trade with us, who would be referred to us by any of the following:
  - 1) Employees;
  - 2) Directors;
  - 3) Relatives or Family Members of the Directors;
  - 4) Existing Clients (trading in any segment).
- On expression of wish for becoming a client by any person, a copy of Client Registration Form along with other documents and forms will be forwarded to the client. The copy of the CRF will also be accompanied with the list of documents and additional documents or proofs required.
- Client Registration Form after being signed and filled by the Client will be received at our Client Registration department.
- At the client registration department, the documents are checked and only after they are found proper they will be counter signed by us. The client code generated will be communicated to the client after completion of entire procedure.
- A prospective client will be allowed to trade only on satisfactory submission of required documentary proof and proper signing of documents.

The following procedure should be adopted for identification of Client:

- As far as possible, no clients will be registered without personal contact.
- In addition to personal contact, for client identification, proper address and identity proof as prescribed by SEBI as per Uniform Documentary Requirement will be obtained from the client.
- PAN number and a Copy of PAN card will be compulsorily obtained from the client. No trading will be allowed unless the proof of PAN proof is submitted by the client.
- All the documents collected will be verified with original by the Client Registration Department and a stamp "Verified with Original" will be affixed and signed by the person verifying it.
- In person verification should be carried out by the staff and stamp should be affixed for in person verification.

### ❖ Registration of Intermediaries:

- The procedure as prescribed for registration of Approved Person's will be followed.
- Brokerage will be shared with the respective Approved person only after the Approval of Registration by the Exchange.
- No Brokerage will be paid to the Approved Person for the trades executed prior to registration.

### ❖ Trading Terminal

- The Terminal User should be NCFM certified. Before allowing the user to operate the terminal, the copy of NCFM certificate will be collected and verified with the original.
- The user will be asked to renew the NCFM certificate on its expiry. If the user fails to renew the certificate then he would not be allowed to operate the same any further. The renewed copy of the certificate will be re-obtained and verified with original.
- The guidelines laid down by the Exchange for Approved User and Location of trading terminal will be strictly followed. It would be made sure that there is no issue of trading terminals to unauthorized persons or at unauthorized locations.
- The data regarding new user as well as modification in existing user should be immediately uploaded and documented on modification or issue to the new user as the case may be.

### ❖ Clients Transactions:

- Transactions of few major clients would be monitored, if required and in case of any suspicion from our side of possibility of any malfunctioning by the client. If required the client will be asked to stop such kind of malfunctioning or may be even asked to stop trading.

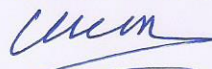
### ❖ Order Placement

- The orders will be placed by the respective Dealer as per the instructions from the clients.
- However, it should be made sure that the priced put up should not be unrealistic or not representing the correct market price.
- Everytime before execution of order a final confirmation of the entire order should be made to the client.
- The clients should not be induced to either Buy or sell.

### ❖ Others

- Complete confidentiality of Client information should be maintained. No client information would be given except if required by law.
- Proper records as required by various statues will be maintained.

For JMP SECURITIES PVT. LTD

  
DIRECTOR





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## **RISK MANAGEMENT POLICY**

**ADOPTED BY**

**M/S JMP SECURITIES PVT LTD**

**FOR**

**BSE & NSE (CASH)**

**Limit Setting:-**

Limits shall be monitored on daily basis, taking following criteria's: Turnover, Exposure, Past trends, Location, Deposit/Collateral.

**Margins:-**

Margin must be collected on all derivative trades.

Client level margin will be at management discretion in cash segment Criteria to collect margin will be on the basis of volume of client and brokerage earned from clients.

Same client should not figure in default list in more than 5 days in a month

**Trading:-**

Trading in illiquid scrip shall not be permitted. On detection of such trading, the risk manager shall use his discretion to shutdown the terminal after intimating branch manager and sub broker

**Pay-in Of Fund & Stock:-**

Third party pay-in of securities & fund will not be accepted. Same way pay out of shares and fund will be directly done to client account only.

**Settlement of Fund & Securities:-**

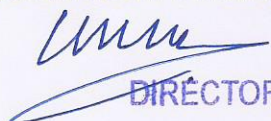
Settlement of Fund & Securities will be made once in a quarter incase of clients authorizing through running account. In case of retention of fund & securities if any, the reason for the same shall be provided in client ledger confirmation.

**Collections:-**

Cash will not be accepted under any circumstances except cheque bouncing.

Collection of cheques from clients must be done by T+2 days except clients who have authorized us to have running account balance.

For JMP SECURITIES PVT. LTD.

  
DIRECTOR





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